

INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 63-10

May 31, 1963

USE OF COLORING MATERIALS IN THE PRODUCTION OF VERMOUTHS, APERITIF WINES, AND OTHER SPECIAL NATURAL WINES

Proprietors of bonded wine cellars
and others concerned:

Purpose. This circular is issued to inform you that Revenue Ruling 63-71, published in Internal Revenue Bulletin No. 1963-16, April 22, 1963, prohibits the use of any coloring material other than caramel in the production of vermouths, aperitif wines, and other special natural wines on bonded wine cellar premises.


Background. Alkanet root and root extract, annatto extract and seed, carmine, cochineal, cudbear and cudbear extract, logwood chips extract, and American saffron (*carthamus tinctorius* L.) have been reclassified as color additives by the Food and Drug Administration of the Department of Health, Education, and Welfare.

Section 240.440 of the Wine regulations, implementing section 5386(a) of the Internal Revenue Code, provides in part that caramel may be added for coloring.

Revenue Ruling 63-71 holds that since section 5386(a) of the Code and the regulations thereunder do not authorize the addition of any coloring material, other than caramel, in the production of special natural wines, winemakers may not use the coloring materials specified above, or any coloring material other than caramel, in producing vermouths, aperitif wines, or other special natural wines.

Formulas. Revenue Ruling 63-71 also provides that where present formulas specify the use of any of the specified coloring materials, or any coloring material except caramel, a new Form 698-Supplemental, Formula and Process for Wine, must be filed deleting such coloring materials. Alternatively, riders may be filed amending the formulas to delete the use of these ingredients. The riders should be filed in triplicate with the Director, Alcohol and Tobacco Tax Division, showing (1) the name and registry number of the bonded wine cellar premises, (2) the original formula number, (3) the date of approval of the original formula, (4) the name of the product involved, and (5) the substance which is being eliminated.

Inquiries. Inquiries in regard to this industry circular should refer to its number and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).


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Director, Alcohol and Tobacco Tax Division